

United States Census Bureau

Measuring America

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## Job Creation in the United States

The Census Bureau releases data every year describing changes for businesses operating in the United States. These *Business Dynamics Statistics* (BDS) include information on the number of startups (businesses that began operating in a given year) and the number of new jobs that were created by businesses of different ages.

### Job Creation from Startups not yet Recovered

#### Job Creation from Startups as a Share of Private Non-Farm Employment, by Year

Startups' contribution to total number of jobs remains at a historic low in 2013. Startups were hit hard in the Great Recession (2008-2009) and have not yet recovered.

(Linegraph showing Job Creation from Startups from 1979 to 2013)

1987 3.8%

1998 3.2%

2006 3.0%

2013 2.0%

Recession<sup>1</sup>

Year	Startup Net Job Creation
1979	3.8
1980	3.3
1981	3.9
1982	4.0
1983	3.4
1984	3.6
1985	3.6
1986	3.8
1987	3.8
1988	3.5
1989	3.3
1990	3.2
1991	3.0

1992	3.1
1993	2.8
1994	3.1
1995	3.0
1996	3.0
1997	2.9
1998	3.2
1999	2.9
2000	2.7
2001	2.6
2002	3.0
2003	2.8
2004	2.8
2005	2.9
2006	3.0
2007	2.5
2008	2.3
2009	2.1
2010	2.2
2011	2.1
2012	2.0
2013	2.0

#### Recovery by the Oldest Firms Continued

##### Net Job Creation at Startups and Firms 26 Years and Older: 2006-2013

Net job creation by the oldest firms (those 26 years and older) increased in 2013 reaching prerecession levels with 1.0 million net new jobs created. In contrast, startups' contribution to net job creation in 2013 was at 2.3 million, well below its prerecession peak of 3.5 million jobs in 2006.

(Linegraph showing net job creation by the startups and oldest firms (those 26 years and older) from 2006 to 2013.)

Year	Startups	Firms 26 years and older
2006	3,535,867	894,990
2007	3,020,038	86,834
2008	2,805,072	110,967
2009	2,383,126	-3,056,385
2010	2,409,540	-1,607,457
2011	2,321,955	561,136
2012	2,303,274	622,879
2013	2,294,266	1,049,935

## Startups' Contribution to State Employment in 2013

### Employment in startups as a percentage of total state employment

Most states in the West experienced above average job creation rates from startups in 2013, exceeding the 2.0 percent U.S. average. A majority of states in the Midwest experienced below average job creation rates from startups.

(Map showing job creation rates by state)

State	JC Rate
Alabama	1.9
Alaska	1.7
Arizona	2.3
Arkansas	1.7
California	2.4
Colorado	2.2
Connecticut	1.8
Delaware	2.0
District of Columbia	1.4
Florida	2.7
Georgia	2.0
Hawaii	1.7
Idaho	2.1
Illinois	1.7
Indiana	1.6
Iowa	1.3
Kansas	2.0
Kentucky	1.6
Louisiana	1.9
Maine	1.6
Maryland	1.6
Massachusetts	1.3
Michigan	1.8
Minnesota	1.6
Mississippi	1.8
Missouri	1.7
Montana	2.3
Nebraska	1.4
Nevada	2.8
New Hampshire	1.7
New Jersey	2.2
New Mexico	2.5
New York	2.3
North Carolina	1.9

North Dakota	2.6
Ohio	1.5
Oklahoma	2.2
Oregon	2.0
Pennsylvania	1.5
Rhode Island	1.6
South Carolina	2.0
South Dakota	1.8
Tennessee	1.6
Texas	2.4
Utah	2.5
Vermont	1.4
Virginia	1.6
Washington	1.9
West Virginia	1.5
Wisconsin	1.3
Wyoming	2.4

Percentage of total employment key

1.2-1.5

>1.5-1.7

>1.7-2.0

>2.0-2.3

>2.3-2.9

<sup>1</sup>Shaded areas are recession dates from the National Bureau of Economic Research (NBER), US Business Cycle Expansions and Contractions.

Notes: the state job creation rate from startups is defined as the job creation from startups in the state over the employment in that state.

These estimates are subject to nonsampling error, which includes errors of coverage, reporting, and nonreporting. Because the BDS tabulations are based on a combination of administrative and survey-collected data, rather than a probability sample, sampling error cannot be measured for the BDS. For additional information, see "Reliability of Data" at: <http://www.census.gov/ces/dataproducts/bds/methodology.html>.

SOURCE: U.S. Census Bureau, Business Dynamics Statistics (BDS). For additional information about the BDS and the BDS methodology, see <http://www.census.gov/ces/dataproducts/bds/>.

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